

A Rulemaking to Unlock the Potential of Natural Gas Vehicles

During the previous administration, EPA pushed automakers to manufacture light duty electric vehicles (EVs) as a means of meeting fuel economy and emission standards, ignoring the benefits of natural gas vehicles (NGVs). Not only did EPA remove the NGV incentives provided by Congress under the law, it failed to consider NGV technology development, the full impact of the shale revolution, or the growth of renewable natural gas (RNG) in its Technical Assessment Report on the regulations.

Natural gas is an abundant resource and is uniquely suited as a fuel for light trucks, which make up 64% of the passenger vehicle market and an even greater percentage of fuel use and pollution due to their lower fuel economy. EVs, on the other hand, are limited to lighter weight and luxury passenger cars. With automakers struggling to meet emissions standards, it is critical that EPA provide alternative compliance options, including incentivizing automakers to add NGVs to their product lines.

EPA can solve this urgent problem with a rulemaking to reform light-duty vehicle regulations for NGVs. With appropriate support, NGVs can deliver these much-needed benefits:

- **Game-Changing Lifecycle Emissions:** NGVs reduce greenhouse emissions by up to 25% with fossil natural gas and can achieve *negative* lifecycle emissions with RNG from landfills, dairy farms, and other sources. With 35% of NGV fueling coming from RNG already, these vehicles are clearly delivering game-changing emissions on par with EVs – and should be incentivized as such.
- **Alternative Fuel for Light Trucks:** EVs are an option for small cars, but battery cost and weight are prohibitive for electrifying larger vehicles like pickups and light trucks. By contrast, NGVs are a proven alternative for light trucks, with both OEM and conversion-certified pickup models as well as bi-fuel configurations that can run on gasoline (key for addressing “range anxiety” for early adopters).
- **Cleaning Up Older Vehicles:** While it’s impossible to electrify existing vehicles, they *can* be converted to natural gas – as in states like Oklahoma and Utah that have encouraged thriving retrofit industries. Automaker support of NGVs will reduce retrofit costs and presents a unique opportunity to reduce emissions from the highly polluting used vehicle fleet and expand the benefits of the rules.
- **Economic Benefits:** In addition to the environmental benefits of NGVs, they offer the opportunity to bolster economic growth in the automotive industry, the natural gas industry, and even the agriculture and waste industries, which can benefit from the production and sale of RNG fuel.

The fact that the considerable benefits of NGVs have been previously ignored by EPA is reason enough to convene a rulemaking as proposed by VNG last year in its Regulatory Reform comments, instead of waiting for the Mid-Term Evaluation. Another compelling reason to fast-track these reforms is to unlock a win-win compromise by expanding the portfolio of low-emission solutions for automakers beyond EVs.

- **Breaking Through the Logjam on Vehicle Rules:** Automakers need a reform of the rules because they currently have no cost-effective way to meet their emission targets for pickups and light trucks, which are essential to their economic health. Meanwhile, California policymakers are demanding that the targets remain, threatening years of legal uncertainty and a fractured regulatory landscape.

NGVs are the missing piece of the puzzle. The massive environmental benefits of RNG have already been acknowledged by the California Air Resources Board, and the potential of NGVs as a light truck alternative have already been demonstrated by automakers. By reforming regulations to recognize the benefits of NGVs (and harmonize with CAFE incentives in the process), EPA can provide automakers a cost-effective compliance option for light trucks. This would help the environment *and* the economy, through job creation, GDP growth, and trade deficit reduction.

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